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**Cincinnati Bell
Telephone®**

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R. E. Sigmon
Vice President - Regulatory Affairs

**FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY**

March 23, 1994

DOCKET FILE COPY ORIGINAL

Mr. Gregory J. Vogt
Chief, Tariff Division-Common Carrier Bureau
Federal Communications Commission
1919 M Street, N.W., Room 518
Washington, D.C. 20554

Dear Mr. Vogt:

I have enclosed the information you requested on March 11, 1994, Reference No. 1600C1, in CC Docket No. 93-162, regarding Cincinnati Bell Telephone Company's Expanded Interconnection Tariff.

If you have any questions, please contact Mr. Al Titus at 513-397-7388.

Sincerely,

For **R. E. Sigmon**
Vice President-Regulatory Affairs

Enclosures

c: Mr. Chuck Needy

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CBT OVERHEAD FACTOR ANALYSIS

CBT explained its costing methodology in detail in its August 20, 1993, Direct Case in CC Docket No. 93-162. The information submitted in that Direct Case has not changed, therefore please refer to it regarding CBT's costing methodology. CBT used the **same** costing methodology to develop unit costs for expanded interconnection rate elements as it used to develop unit costs for CBT's DS1 and DS3 services.

CBT is submitting its cost-development data for this request in the same Tariff Review Plan (TRP) format the Commission requested in its Expanded Interconnection Designation Order, released July 23, 1993. CBT points out, however, that the Commission's definition of "direct costs" for this request is different from the definition in its 1993 request. In the 1993 request, the Commission's definition of "direct costs" **excluded** administrative expense, marketing expense, and other taxes. In this 1994 request, those expenses are now **included** in "direct costs". The term "unit costs", as used by CBT, refers to the direct costs as the Commission now defines "direct costs" (i.e., direct costs include administrative and marketing expenses, and other taxes).

For an "apples-to-apples" comparison of the overhead factors for the expanded interconnection rate elements submitted in the August 20, 1993, Direct Case with the overhead factors for DS1 and DS3 services submitted with this request, TRP Row 56 (Rate/Unit Cost) should be used. Row 55 should be ignored.

CBT's cost studies were conducted in February 1993. CBT's rates filed in its 1993 Annual Access filing on April 2, 1993, which were scheduled to become effective on July 1, 1993, were used to compute overhead factors.

CBT submits that the data CBT has provided to the Commission demonstrate that CBT's overhead loadings, and therefore CBT's expanded interconnection rates, are reasonable.

DS1 Service

Cincinnati Bell Telephone Co.

1 Channel Termination
2 Channel Mileage Terminations
6.8 Channel Miles

	Rate Element Name #1	Rate Element Name #2	Rate Element Name #3
	DS1		
	Summary		
1	TOTAL INVESTMENT:	\$7,645.15	
2	Account: 2111 - Land (0) 20jc	\$14.59	
3	Account: 2121 - Buildings (40 Yrs) 10jc	\$588.55	
4	Account: 2232.1 - Ckt Equip. (12) 357c	\$4,663.83	
5	Account: 2411 - Pole (32) 1c	\$144.62	
6	Account: 2421 Aer. Cable (25) 22c	\$563.12	
7	Account: 2421 Aer. Fiber (25) 822c	\$15.61	
8	Account: 2422 UG Cable (24) 5c	\$203.26	
9	Account: 2422 UG Fiber (30) 85c	\$457.55	
10	Account: 2423 Bur. Cable (31) 45c	\$509.77	
11	Account: 2426 Intra. Cable (20) 12c	\$16.32	
12	Account: 2426 Intra. Fiber (20) 812c	\$60.34	
13	Account: 2441 - Conduit (55) 4c	\$407.58	
14	DEPRECIATION EXPENSE	\$736.07	
15	COST OF MONEY (\$)	\$688.60	
16			
17	FEDERAL INCOME TAX	\$255.92	
18	STATE AND LOCAL INCOME TAX	\$0.00	
19	OTHER TAX	\$224.23	
20	Property Tax	\$224.23	
21			
22			
23			
24			
25			
26	MAINTENANCE EXPENSE	\$435.98	
27	ADMIN and OTHER EXPENSE	\$1,151.08	
28	Account: 1220.1	\$13.22	
29	Account: 2112	\$38.26	
30	Account: 2115	\$1.66	
31	Account: 2116	\$14.14	
32	Account: 2122	\$29.94	
33	Account: 2123	\$24.51	
34	Account: 2124	\$62.38	
35	Account: 6532	\$19.26	
36	Account: 6534	\$70.70	
37	Account: 6535	\$75.79	
38	Account: 6611	\$39.34	
39	Account: 6612	\$21.88	
40	Account: 6613	\$7.06	
41	Account: 6623	\$270.31	
42	Account: 6711	\$17.47	
43	Account: 6712	\$3.33	
44	Account: 6721	\$83.17	
45	Account: 6722	\$39.92	
46	Account: 6723	\$46.58	
47	Account: 6724	\$128.92	
48	Account: 6725	\$10.81	
49	Account: 6726	\$12.48	
50	Account: 6728	\$89.00	
51	ANNUAL COST PER UNIT	\$3,491.88	
52	MONTHLY COST PER UNIT	\$290.99	
53	MONTHLY RATE PER UNIT	\$380.85	
54	UNIT OF MEASUREMENT		
	Per DS1		
55			
56	RATIO: Rate / Unit Cost	1.3088	

DS3 Service

*Cincinnati Bell Telephone Co.*1 Channel Termination
2 Channel Mileage Terminations
6.8 Channel Miles

	Rate Element Name #1 1st Channel Termination 1 Year Contract Summary	Rate Element Name #2 1st Channel Termination 3 Year Contract Summary	Rate Element Name #3 1st Channel Termination 5 Year Contract Summary
1 TOTAL INVESTMENT:	\$70,542.81	\$70,542.81	\$70,542.81
2 Account: 2111 - Land (O) 20jc	\$160.99	\$160.99	\$160.99
3 Account: 2121 - Buildings (40 Yrs) 10jc	\$6,495.50	\$6,495.50	\$6,495.50
4 Account: 2232.1 - Ckt Equip. (12) 357c	\$41,718.87	\$41,718.87	\$41,718.87
5 Account: 2411 - Pole (32) 1c	\$252.86	\$252.86	\$252.86
6 Account: 2421 Aer. Cable (25) 22c	\$0.00	\$0.00	\$0.00
7 Account: 2421 Aer. Fiber (25) 822c	\$1,032.48	\$1,032.48	\$1,032.48
8 Account: 2422 UG Cable (24) 5c	\$0.00	\$0.00	\$0.00
9 Account: 2422 UG Fiber (30) 85c	\$13,123.49	\$13,123.49	\$13,123.49
10 Account: 2423 Bur. Cable (31) 45c	\$0.00	\$0.00	\$0.00
11 Account: 2426 Intra. Cable (20) 12c	\$0.00	\$0.00	\$0.00
12 Account: 2426 Intra. Fiber (20) 812c	\$0.00	\$0.00	\$0.00
13 Account: 2441 - Conduit (55) 4c	\$7,758.62	\$7,758.62	\$7,758.62
14 DEPRECIATION EXPENSE	\$20,497.35	\$9,831.27	\$7,697.42
15 COST OF MONEY (%)	\$6,059.57	\$5,939.17	\$5,877.39
16			
17 FEDERAL INCOME TAX	\$2,270.79	\$2,212.17	\$2,186.83
18 STATE AND LOCAL INCOME TAX	\$0.00	\$0.00	\$0.00
19 OTHER TAX	\$2,047.31	\$2,047.31	\$2,047.31
20 Property Tax	\$2,047.31	\$2,047.31	\$2,047.31
21			
22			
23			
24			
25			
26 MAINTENANCE EXPENSE	\$3,241.61	\$3,304.98	\$3,346.17
27 ADMIN and OTHER EXPENSE	\$10,592.38	\$10,779.31	\$10,910.79
28 Account: 1220.1	\$119.16	\$118.91	\$118.58
29 Account: 2112	\$351.18	\$350.65	\$349.48
30 Account: 2115	\$15.27	\$15.25	\$15.19
31 Account: 2116	\$129.78	\$129.59	\$129.16
32 Account: 2122	\$274.83	\$274.42	\$273.51
33 Account: 2123	\$203.58	\$106.72	\$106.36
34 Account: 2124	\$572.57	\$571.71	\$569.81
35 Account: 6532	\$173.53	\$173.10	\$172.83
36 Account: 6534	\$648.91	\$647.93	\$645.78
37 Account: 6535	\$687.15	\$685.96	\$683.73
38 Account: 6611	\$358.50	\$357.93	\$356.69
39 Account: 6612	\$198.18	\$197.86	\$197.15
40 Account: 6613	\$64.00	\$63.86	\$63.72
41 Account: 6623	\$2,473.31	\$2,469.51	\$2,461.16
42 Account: 6711	\$160.32	\$160.08	\$159.55
43 Account: 6712	\$30.54	\$30.49	\$30.39
44 Account: 6721	\$763.43	\$762.27	\$759.75
45 Account: 6722	\$366.45	\$365.89	\$364.68
46 Account: 6723	\$427.52	\$426.87	\$425.46
47 Account: 6724	\$1,183.31	\$1,181.53	\$1,177.61
48 Account: 6725	\$99.25	\$99.10	\$98.77
49 Account: 6726	\$114.51	\$114.34	\$113.96
50 Account: 6728	\$816.87	\$815.63	\$812.93
51 ANNUAL COST PER UNIT	\$44,709.01	\$34,114.21	\$32,065.91
52 MONTHLY COST PER UNIT	\$3,725.75	\$2,842.85	\$2,672.16
53 MONTHLY RATE PER UNIT	\$4,882.60	\$3,743.20	\$3,499.88
54 UNIT OF MEASUREMENT			
55	Per DS3	Per DS3	Per DS3
56 RATIO: Rate / Unit Cost	1.3105	1.3167	1.3098

DS3 Service

*Cincinnati Bell Telephone Co.*1 Channel Termination
2 Channel Mileage Terminations
6.8 Channel Miles

	Rate Element Name #4 2nd Channel Termination 1 Year Contract Summary	Rate Element Name #5 2nd Channel Termination 3 Year Contract Summary	Rate Element Name #6 2nd Channel Termination 5 Year Contract Summary
1 TOTAL INVESTMENT:	\$62,476.57	\$62,476.57	\$62,476.57
2 Account: 2111 - Land (0) 20jc	\$151.89	\$151.89	\$151.89
3 Account: 2121 - Buildings (40 Yrs) 10jc	\$6,128.16	\$6,128.16	\$6,128.16
4 Account: 2232.1 - Ckt Equip. (12) 367c	\$38,055.68	\$38,055.68	\$38,055.68
5 Account: 2411 - Pole (32) 1c	\$0.00	\$0.00	\$0.00
6 Account: 2421 Aer. Cable (25) 22c	\$0.00	\$0.00	\$0.00
7 Account: 2421 Aer. Fiber (25) 822c	\$0.00	\$0.00	\$0.00
8 Account: 2422 UG Cable (24) 5c	\$0.00	\$0.00	\$0.00
9 Account: 2422 UG Fiber (30) 85c	\$11,309.76	\$11,309.76	\$11,309.76
10 Account: 2423 Bur. Cable (31) 45c	\$0.00	\$0.00	\$0.00
11 Account: 2426 Intra. Cable (20) 12c	\$0.00	\$0.00	\$0.00
12 Account: 2426 Intra. Fiber (20) 812c	\$0.00	\$0.00	\$0.00
13 Account: 2441 - Conduit (55) 4c	\$6,831.08	\$6,831.08	\$6,831.08
14 DEPRECIATION EXPENSE	\$16,537.48	\$8,337.82	\$6,697.41
15 COST OF MONEY (\$)	\$5,393.16	\$5,300.60	\$5,253.11
16			
17 FEDERAL INCOME TAX	\$2,019.07	\$1,974.01	\$1,954.53
18 STATE AND LOCAL INCOME TAX	\$0.00	\$0.00	\$0.00
19 OTHER TAX	\$1,805.55	\$1,805.55	\$1,805.55
20 Property Tax	\$1,805.55	\$1,805.55	\$1,805.55
21			
22			
23			
24			
25			
26 MAINTENANCE EXPENSE	\$2,912.89	\$2,961.60	\$2,993.27
27 ADMIN and OTHER EXPENSE	\$9,383.62	\$9,527.33	\$9,628.41
28 Account: 1220.1	\$106.31	\$106.12	\$106.00
29 Account: 2112	\$310.42	\$310.01	\$309.76
30 Account: 2115	\$13.50	\$13.48	\$13.47
31 Account: 2116	\$114.72	\$114.57	\$114.48
32 Account: 2122	\$242.94	\$242.62	\$242.42
33 Account: 2123	\$154.85	\$94.35	\$94.28
34 Account: 2124	\$506.12	\$505.46	\$505.05
35 Account: 6532	\$158.30	\$157.96	\$157.75
36 Account: 6534	\$573.60	\$572.85	\$572.39
37 Account: 6535	\$607.91	\$606.98	\$606.42
38 Account: 6611	\$315.97	\$315.53	\$315.26
39 Account: 6612	\$174.25	\$174.00	\$173.85
40 Account: 6613	\$57.74	\$57.63	\$57.56
41 Account: 6623	\$2,183.54	\$2,180.61	\$2,178.81
42 Account: 6711	\$141.71	\$141.53	\$141.41
43 Account: 6712	\$21.10	\$21.10	\$21.10
44 Account: 6721	\$674.83	\$673.94	\$673.40
45 Account: 6722	\$323.92	\$323.49	\$323.23
46 Account: 6723	\$377.90	\$377.41	\$377.10
47 Account: 6724	\$1,045.98	\$1,044.61	\$1,043.76
48 Account: 6725	\$87.73	\$87.61	\$87.54
49 Account: 6726	\$101.22	\$101.09	\$101.01
50 Account: 6728	\$722.07	\$721.12	\$720.53
51 ANNUAL COST PER UNIT	\$38,051.78	\$29,906.92	\$28,332.27
52 MONTHLY COST PER UNIT	\$3,170.98	\$2,492.24	\$2,361.02
53 MONTHLY RATE PER UNIT	\$4,202.36	\$3,263.10	\$3,066.88
54 UNIT OF MEASUREMENT	Per DS3	Per DS3	Per DS3
55			
56 RATIO: Rate / Unit Cost	1.3253	1.3093	1.2990

DS3 Service

Cincinnati Bell Telephone Co.

1 Channel Termination
2 Channel Mileage Terminations
6.8 Channel Miles

		Rate Element Name #7 3rd Channel Termination 1 Year Contract Summary	Rate Element Name #8 3rd Channel Termination 3 Year Contract Summary	Rate Element Name #9 3rd Channel Termination 5 Year Contract Summary
1	TOTAL INVESTMENT:	\$62,057.45	\$62,057.45	\$62,057.45
2	Account: 2111 - Land (0) 20jc	\$150.94	\$150.94	\$150.94
3	Account: 2121 - Buildings (40 Yrs) 10jc	\$6,090.04	\$6,090.04	\$6,090.04
4	Account: 2232.1 - Ckt Equip. (12) 357c	\$37,675.63	\$37,675.63	\$37,675.63
5	Account: 2411 - Pole (32) 1c	\$0.00	\$0.00	\$0.00
6	Account: 2421 Aer. Cable (25) 22c	\$0.00	\$0.00	\$0.00
7	Account: 2421 Aer. Fiber (25) 822c	\$0.00	\$0.00	\$0.00
8	Account: 2422 UG Cable (24) 5c	\$0.00	\$0.00	\$0.00
9	Account: 2422 UG Fiber (30) 85c	\$11,309.76	\$11,309.76	\$11,309.76
10	Account: 2423 Bur. Cable (31) 45c	\$0.00	\$0.00	\$0.00
11	Account: 2426 Intra. Cable (20) 12c	\$0.00	\$0.00	\$0.00
12	Account: 2426 Intra. Fiber (20) 812c	\$0.00	\$0.00	\$0.00
13	Account: 2441 - Conduit (55) 4c	\$6,831.08	\$6,831.08	\$6,831.08
14	DEPRECIATION EXPENSE	\$16,152.08	\$8,208.31	\$6,619.09
15	COST OF MONEY (\$)	\$5,365.03	\$5,275.36	\$5,229.35
16		\$0.00	\$0.00	\$0.00
17	FEDERAL INCOME TAX	\$2,008.15	\$1,964.50	\$1,945.62
18	STATE AND LOCAL INCOME TAX	\$0.00	\$0.00	\$0.00
19	OTHER TAX	\$1,793.38	\$1,793.38	\$1,793.38
20	Property Tax	\$1,793.38	\$1,793.38	\$1,793.38
21		\$0.00	\$0.00	\$0.00
22		\$0.00	\$0.00	\$0.00
23		\$0.00	\$0.00	\$0.00
24		\$0.00	\$0.00	\$0.00
25		\$0.00	\$0.00	\$0.00
26	MAINTENANCE EXPENSE	\$2,891.64	\$2,938.83	\$2,969.51
27	ADMIN and OTHER EXPENSE	\$9,319.63	\$9,458.84	\$9,556.77
28	Account: 1220.1	\$105.43	\$105.25	\$105.14
29	Account: 2112	\$308.31	\$307.91	\$307.67
30	Account: 2115	\$13.40	\$13.39	\$13.38
31	Account: 2116	\$113.94	\$113.79	\$113.70
32	Account: 2122	\$241.28	\$240.97	\$240.78
33	Account: 2123	\$152.32	\$93.71	\$93.64
34	Account: 2124	\$502.68	\$502.03	\$501.63
35	Account: 6532	\$156.72	\$156.39	\$156.19
36	Account: 6534	\$569.70	\$568.97	\$568.52
37	Account: 6535	\$603.45	\$602.56	\$602.01
38	Account: 6611	\$313.81	\$313.39	\$313.13
39	Account: 6612	\$173.06	\$172.82	\$172.67
40	Account: 6613	\$57.22	\$57.12	\$57.06
41	Account: 6623	\$2,168.64	\$2,165.81	\$2,164.06
42	Account: 6711	\$140.75	\$140.57	\$140.46
43	Account: 6712	\$26.81	\$26.77	\$26.75
44	Account: 6721	\$670.23	\$669.37	\$668.85
45	Account: 6722	\$321.71	\$321.30	\$321.05
46	Account: 6723	\$375.33	\$374.85	\$374.55
47	Account: 6724	\$1,038.86	\$1,037.53	\$1,036.71
48	Account: 6725	\$87.13	\$87.02	\$86.95
49	Account: 6726	\$100.54	\$100.41	\$100.33
50	Account: 6728	\$717.15	\$716.23	\$715.66
51	ANNUAL COST PER UNIT	\$37,529.91	\$29,639.23	\$28,113.71
52	MONTHLY COST PER UNIT	\$3,127.49	\$2,469.94	\$2,342.81
53	MONTHLY RATE PER UNIT	\$4,182.73	\$3,243.48	\$3,043.33
54	UNIT OF MEASUREMENT			
55		Per DS3	Per DS3	Per DS3
56	RATIO: Rate / Unit Cost	1.3374	1.3132	1.2990